

STEPTOE & JOHNSON^{LLP}

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October 15, 2007

Mr. Steven Wynn
Wynn Resorts L.L.C.
c/o Barry L. Slotnick, Esq.
Buchanan, Ingersoll & Rooney PC
1 Chase Manhattan Plaza, 35th floor
New York, NY 10005

Re: Insured: Wynn Resorts, LLC
Insurers: Lexington Insurance Co. and
Allied World Assurance Co.
DOL: December 29, 2004
Lexington Insurance Claim No.: 421-004208
AWAC Claim No.: 648-007687
Type of Loss: Property loss at 817 Fifth Avenue, New York, New York

Dear Mr. Slotnick:

This law firm represents the Insurers noted above and we write you in your capacity as counsel to the Insured. As you know, the Insurers and the Insured do not agree on the replacement cost building loss for the above-mentioned property.

We direct your attention to the following provision for Appraisal in the Insured's policy, which reads in relevant part:

Building and Personal Property Coverage Form

E.2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select

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an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraiser and umpire equally.

By this letter and in accordance with the foregoing, we hereby demand an appraisal and name Jonathon C. Held, 277 Willis Ave., Roslyn Heights, NY 11577, (516) 621-2900 as our appraiser. Please notify us of the name of the Insured's appraiser. Once we have heard from you regarding the name of the Insured's appraiser, we will send you a sample agreement for submission to appraisers.

Nothing stated in this letter is intended nor should it be construed to be a waiver of any of the terms or conditions of the policy nor of any rights or defenses available to Lexington Insurance Company or Allied World Assurance Company. Lexington Insurance Company and Allied World Assurance Company specifically reserve all such rights and defenses now apparent or as may become apparent.

Please note that, in connection with this Demand, we plan to file a Motion to Stay proceedings in *Steven Wynn et al. v. Lexington Ins. Co. et al.*, Civil Action No. 07 CV 7604 (PAC), currently pending in the United States District Court for the Southern District of New York, pending the outcome of the appraisal referenced in this letter.

Very truly yours,



Matthew J. Herrington, Esq.
Attorney for Insurers